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General Assembly

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**Fifty-eighth session**
**Second Committee**
Agenda item 100
**Globalization and interdependence**

**Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Henri S. Raubenheimer (South Africa), on the basis of informal consultations held on draft resolution A/C.2/58/L.41**

## Role of the United Nations in promoting development in the context of globalization and interdependence

*The General Assembly*,

*Recalling* its resolutions 53/169 of 15 December 1998, 54/231 of 22 December 1999, 55/212 of 20 December 2000, 56/209 of 21 December 2001 and 57/274 of 20 December 2002 on the role of the United Nations in promoting development in the context of globalization and interdependence,

*Reaffirming* the resolve expressed in the United Nations Millennium Declaration[1] to ensure that globalization becomes a positive force for the people of the entire world,

*Recognizing* that globalization and interdependence are opening new opportunities and posing new challenges through trade, investment and capital flows and advances in technology, including information technology, for the growth of the world economy, development and the improvement of living standards around the world, within which some countries have made progress in successfully benefiting from the opportunities of globalization, while others have faced difficulties in coping with its challenges,

*Noting with concern* that, notwithstanding the current improvement, global economic growth has slipped since the adoption of the Millennium Declaration, with a negative impact on development prospects for developing countries,

*Recognizing* the importance of appropriate policy responses at the national level by all countries to the challenges of globalization, in particular by pursuing sound policies, stressing that such national policies can yield better results with international support and with an enabling international economic environment,

[1] See resolution 55/2.

noting the need for support from the international community for the efforts of the least developed countries, in particular in improving their institutional and management capacities, and recognizing that all countries should pursue policies conducive to economic growth and to promoting a favourable global economic environment,

*Noting with serious concern* that a large number of developing countries have not yet been able to fully benefit from the existing multilateral trading system, and underlining the importance of promoting the integration of developing countries into the world economy so as to enable them to take the fullest possible advantage of the trading opportunities arising from globalization and liberalization,

*Bearing in mind* the commitment made at the Fourth Ministerial Conference of the World Trade Organization[2] to maintain the process of reform and the liberalization of trade policies, thus ensuring that the system plays its full part in promoting recovery, growth and development, to reaffirm strongly the principles and objectives set out in the Marrakesh Agreement establishing the World Trade Organization[3] and to pledge to reject the use of protectionism and place development at the heart of the Doha work programme, ensuring that globalization benefits all and that the internationally agreed development goals, including those contained in the Millennium Declaration, are achieved,

*Stressing* that the process of reform for a strengthened and stable international financial architecture should be based on broad participation in a genuine multilateral approach, involving all members of the international community, to ensure that the diverse needs and interests of all countries are adequately represented,

*Underlining* the urgent need to ensure the effective participation of all developing countries in the process of globalization, as an instrument for economic growth and poverty eradication,

*Recognizing* that all human rights are universal, indivisible, interdependent and interrelated,

*Noting with concern* the increasing linkages between corrupt practices and the transfer of illicitly acquired assets, money laundering and other related organized crimes across national borders, and calling for better international efforts to effectively address these global trends, including through effective economic and banking regulations in all countries and the return of illicitly acquired assets to the countries of origin, in accordance with the United Nations Convention against Corruption,[4] and in this regard welcoming its adoption by the General Assembly,

1. *Takes note with appreciation* of the report of the Secretary-General;[5]

2. *Reaffirms* that the United Nations has a central role in promoting international cooperation for development and in promoting policy coherence on

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[2] See A/C.2/56/7, annex.

[3] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT Secretariat publication, Sales No. GATT/1994-7).

[4] Resolution 58/4.

[5] A/58/394.

global development issues, including in the context of globalization and interdependence;

3. *Reiterates* that success in meeting the objectives of development and poverty eradication depends, inter alia, on good governance, both within individual countries and at the international level, sound economic policies, solid democratic institutions that are responsive to the needs of the people and improved infrastructure, which are the basis for sustained growth, poverty eradication and employment creation, transparency in financial, monetary and trading systems and commitment to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system, which are equally essential;

4. *Stresses* the need to address asymmetries in the current global system, including, inter alia, those related to the vulnerability of countries to external shocks, the concentration of technical innovation in industrialized countries, the limited international mobility of labour, as well as issues such as increasing the flow of foreign direct investment and enhancing the participation of developing countries in the world trading and financial systems;

5. *Welcomes* the commitment by all countries to promote national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability and inclusion, as contained in the Monterrey Consensus;[6]

6. *Strongly urges* the international community to take all necessary and appropriate measures, including support for structural and macroeconomic reform, foreign direct investment, enhanced official development assistance, the search for a durable solution to the external debt problem, market access, capacity-building and the dissemination of knowledge and technology, in order to achieve sustainable development and promote the participation in the global economy of all African countries, as well as the least developed countries, the landlocked developing countries and small island developing States;

7. *Stresses* that in the increasingly globalizing interdependent world economy, a holistic approach to the interconnected national, international and systematic challenges of financing for development — sustainable, gender-sensitive and people-centred development — is essential in order to open up opportunities for all and to ensure that resources are created and used effectively and that solid and accountable institutions are established at all levels;

8. *Also stresses* the special importance of creating an enabling international economic environment through strong cooperative efforts by all countries and institutions to promote equitable economic development in a world economy that benefits all people, and in that context invites developed countries, in particular the major industrialized countries, which have significant weight in influencing world economic growth, when formulating their macroeconomic policies, to take into account whether the effects of those policies in terms of the external economic environment would be favourable to growth and development;

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[6] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

9. *Encourages* all countries to consider, in the context of existing regional or subregional arrangements, reviewing the contribution of their national financial trade, debt relief and other policies to the realization of agreed development goals and commitments;

10. *Reaffirms* the significant importance of an open, universal, equitable, rule-based, predictable, non-discriminatory and balanced multilateral trading system in pursuit of sustained economic growth, poverty eradication and sustainable development, as set out in the United Nations Millennium Declaration;[1]

11. *Stresses* the need to promote corporate responsibility and accountability, including through the full development and effective implementation of intergovernmental agreements and measures, international initiatives and public-private partnerships and appropriate national regulations and to support continuous improvement in corporate practices in all countries;

12. *Invites* all countries, as well as the United Nations, the Bretton Woods institutions and the World Trade Organization, within their respective mandates, to continue to strengthen interactions with civil society, including the private sector and non-governmental organizations, as important partners in development;

13. *Expresses its concern* about the setback at the fifth Ministerial Conference of the World Trade Organization,[7] and stresses the importance of redoubling efforts in working towards the successful, timely and development-oriented conclusion of the Doha negotiations no later than 1 January 2005, as set out in the Ministerial Declaration of the Fourth Ministerial Conference of the World Trade Organization ("Doha Ministerial Declaration");[8]

14. *Notes* the importance of advancing current efforts to reform the international financial architecture, as envisaged in the Monterrey Consensus, emphasizes that those efforts need to include the effective participation of developing countries and countries with economies in transition, and in this regard encourages the International Monetary Fund and the World Bank to continue examining the issues of the voice and effective participation of those countries, as provided for in the communiqués of the International Monetary and Financial Committee and the Development Committee of the Fund at their last meetings, held in Dubai on 21 and 22 September 2003, and looks forward to the consideration of a road map on the issue at their next meeting in April 2004;

15. *Underlines* the importance, for the improved access of developing countries to international financial markets, of considering counter-cyclical macroeconomic policies in the face of volatile capital flows and of strengthening macroeconomic stability;

16. *Also underlines* that, in addressing the linkages between globalization and sustainable development, particular focus must be placed on identifying and implementing policies and practices that advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development — economic development, social development and environmental protection — taking into account the Rio principles, including, inter alia, the principle of common but differentiated responsibilities, as set out in Principle 7 of the Rio Declaration on

[7] See A/58/15 (Part V), sect. II.B.

[8] See A/C.2/56/7, annex.

Environment and Development,[9] and bearing in mind that good governance, at both national and international levels, is essential for sustainable development and to facilitate the transfer of environmentally sound technologies on concessional and preferential terms as mutually agreed;

17. *Stresses* the need to build an inclusive information society, which is intrinsically global in nature, and that therefore national efforts need to be supported by effective international and regional cooperation among governments, the private sector, civil society and other stakeholders, including the international financial institutions, in order, inter alia, to assist in bridging the digital divide, promoting access to information and communication technologies creating digital opportunities and harnessing the potential of information and communication technologies for development, and invites the World Summit on the Information Society to encourage all stakeholders in this regard;

18. *Reiterates* the need to address the specific concerns and needs of the least developed countries and small island developing States, and in this regard calls upon least developed countries and their development partners, including multilateral financial institutions, to continue to implement expeditiously the Programme of Action for the Least Developed Countries for the Decade 2001-2010[10] and to adopt further measures effectively to integrate the least developed countries into the global economy and the multilateral trading system;

19. *Welcomes* the Almaty Programme of Action[11] adopted at the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, held in Almaty on 28 and 29 August 2003, which addresses the special needs of landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, and calls upon all stakeholders fully and effectively to implement the Programme of Action;

20. *Emphasizes* the importance of recognizing and addressing the specific concerns of countries with economies in transition so as to help them to benefit from globalization, with a view to their full integration into the world economy;

21. *Invites* all relevant agencies of the United Nations system, through, inter alia, the United Nations System Chief Executives Board for Coordination, within existing resources, to review the impact of its work on the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration, and to focus its report to the Economic and Social Council on progress made in this regard;

22. *Stresses* the need for the United Nations system to continue to address the social dimension of globalization, encourages, in that regard, the work of the

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[9] See *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3–14 June 1992* (A/CONF.151/26/Rev.1 (Vol. I and Vol. I/Corr.1, Vol. II, Vol. III and Vol. III/Corr.1)) (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: *Resolutions adopted by the Conference*, resolution 1, annex II.

[10] *Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

[11] A/CONF.202/3, annex.

International Labour Organization on the social dimension of globalization, and takes note of the ongoing work of its World Commission on the Social Dimensions of Globalization;

23. *Also stresses* the importance of migration as a phenomenon accompanying increased globalization, including its impact on economies, and underlines further the need for greater coordination and cooperation among countries as well as relevant regional and international organizations;

24. *Requests* the Secretary-General to submit to the General Assembly at its fifty-ninth session a report on globalization and interdependence, in the context of the present resolution, which should focus on ways to forge greater coherence in order to advance the internationally agreed development goals, including those contained in the Millennium Declaration;

25. *Decides* to include in the provisional agenda of its fifty-ninth session the item entitled "Globalization and interdependence".

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Fifty-eighth session
**Second Committee**
Agenda item 94 (d)
**Environment and sustainable development: further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States**

**Draft resolution submitted by the Vice-Chairman of the Committee, Ms. Irena Zubčević (Croatia), on the basis of informal consultations held on draft resolution A/C.2/58/L.30**

# Further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States

*The General Assembly*,

*Recalling* the Declaration of Barbados[1] and the Programme of Action for the Sustainable Development of Small Island Developing States,[2] adopted by the Global Conference on the Sustainable Development of Small Island Developing States, and recalling also its resolution 49/122 of 19 December 1994 on the Global Conference,

*Recalling further* its resolutions 51/183 of 16 December 1996, 52/202 of 18 December 1997 and 53/189 of 15 December 1998, the review document adopted by the General Assembly at its twenty-second special session,[3] and its resolutions 54/224 of 22 December 1999, 55/199 of 20 December 2000, 55/202 of 20 December 2000, 56/198 of 21 December 2001 and 57/262 of 20 December 2002,

*Recalling* the Johannesburg Declaration on Sustainable Development[4] and the Plan of Implementation of the World Summit on Sustainable Development,[5] in particular the emphasis given to small island developing States in its chapter VII, as

[1] *Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex I.

[2] Ibid., annex II.

[3] See resolution S-22/2, annex.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex.

[5] Ibid., resolution 2, annex.

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well as the references to the specific needs of small island developing States contained in the United Nations Millennium Declaration[6] and the Monterrey Consensus,[7]

*Recalling* its decision to convene an international meeting in 2004,[8] including a high-level segment, to undertake a full and comprehensive review of the implementation of the Programme of Action, as called for in the Plan of Implementation,

*Welcoming* the preparatory activities undertaken at the national and regional levels for the international meeting, and expressing its appreciation to the Governments of Samoa, Cape Verde and Trinidad and Tobago for hosting regional preparatory meetings,

*Reaffirming* the political importance of the forthcoming ten-year review of the progress achieved since the Global Conference on the Sustainable Development of Small Island Developing States, and stressing that the risk from the vulnerabilities of and challenges to small island developing States has increased and requires the strengthening of cooperation and more effective development assistance towards achieving the goals of sustainable development,

1. *Takes note* of the report of the Secretary-General;[9]

2. *Approves* the provisional rules of procedure of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, as contained in the note by the Secretary-General;[10]

3. *Decides* that the International Meeting shall be open to all States Members of the United Nations and States members of the specialized agencies, with the participation of observers in accordance with the established practice of the General Assembly and its conferences and with the rules of procedure of the International Meeting;

4. *Welcomes* the efforts made at the national, subregional and regional levels to implement the Programme of Action,[2] and takes note of the reports of the regional preparatory meetings for the Pacific, Atlantic, Indian Ocean, Mediterranean and South China Seas and Caribbean regions of small island developing States;

5. *Reiterates* the urgent need for the full and effective implementation of the Programme of Action and of the Declaration of Barbados[1] and the review document adopted by the General Assembly at its twenty-second special session[3] to assist small island developing States in their efforts to achieve sustainable development;

6. *Decides* that the International Meeting will be convened from 30 August to 3 September 2004 and will include a high-level segment to undertake a full and comprehensive review of the implementation of the Programme of Action, as called for in the Johannesburg Plan of Implementation,[5] and welcomes the offer of the Government of Mauritius to host the International Meeting;

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[6] See resolution 55/2.

[7] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[8] Resolution 57/262, para. 5.

[9] A/58/170.

[10] A/58/567 and Corr.1 and 2.

7. *Decides also* to hold, if deemed necessary by an open-ended preparatory meeting and funded from voluntary resources, two days of informal consultations in Mauritius, on 28 and 29 August 2004, to facilitate the effective preparation of the International Meeting;

8. *Urges* that representation and participation at the International Meeting be at the highest possible level;

9. *Decides* that the International Meeting will seek a renewed political commitment by the international community and focus on practical actions for the further implementation of the Programme of Action, taking into consideration new and emerging issues, challenges and situations since the adoption of the Programme of Action;

10. *Endorses* Economic and Social Council resolution 2003/55 of 24 July 2003, in which it decided, on the recommendation of the Commission on Sustainable Development at its eleventh session, to convene an interregional preparatory meeting for small island developing States in Nassau from 26 to 30 January 2004, expresses its appreciation to the Government of the Bahamas for hosting the meeting, and encourages participation in the meeting at the ministerial level;

11. *Also endorses* the decision of the Economic and Social Council in its resolution 2003/55, on the recommendation of the Commission on Sustainable Development at its eleventh session, to convene during the twelfth session of the Commission a three-day preparatory meeting for the International Meeting, from 14 to 16 April 2004, for an in-depth assessment and appraisal of the implementation of the Programme of Action and to finalize the preparations for the International Meeting, including its agenda;

12. *Decides* that the preparatory meeting shall be open-ended, and in accordance with the rules of procedure of the functional commissions of the Economic and Social Council and the supplementary arrangements established for the Commission on Sustainable Development by the Council in its decisions 1993/215 of 4 March 1993 and 1995/201 of 8 February 1995 applied to all Member States and other participants, as was the practice in the preparatory committee for the World Summit on Sustainable Development, while maintaining the provisions of the Commission in relation to travel assistance, and in accordance with the provisions of Economic and Social Council decision 2003/283 of 24 July 2003;

13. *Encourages* associate members of the regional commissions that are small island developing States to participate in the International Meeting, and decides that their participation shall be in accordance with rule 61 of the provisional rules of procedure of the International Meeting;

14. *Also decides* that the participation of major groups, including non-governmental organizations, in the International Meeting shall be in accordance with rule 65 of the provisional rules of procedure of the International Meeting;

15. *Further decides* that non-governmental organizations whose work is relevant to the subject of the International Meeting, which are not currently accredited by the Economic and Social Council may submit applications to participate as observers in the International Meeting, as well as its preparatory meeting, subject to the approval of the open-ended preparatory meeting;

16. *Takes note* of the appointment of a Secretary-General of the International Meeting;

17. *Requests* the Secretary-General, in consultation with the relevant United Nations agencies and organizations, and taking into account the submissions he may receive from bilateral, regional and multilateral donor agencies as well as from major groups, including non-governmental organizations, to ensure the timely submission to the Commission on Sustainable Development at its twelfth session of a synthesis report on the basis of the national, regional and interregional preparations and reports by small island developing States and by other parties;

18. *Requests* that the necessary resources, within existing resources, be provided to the Department of Public Information of the Secretariat, to ensure that the goals and purposes of the International Meeting receive the widest possible dissemination within Member States, major groups, including non-governmental organizations, and national, regional and international media, including through the Small Island Developing States Information Network, with a view to encouraging contribution to and support for the International Meeting and its preparatory process;

19. *Expresses its appreciation* for the contributions made to the voluntary trust fund established for the purpose of assisting small island developing States to participate fully and effectively in the International Meeting and its preparatory process, as approved by the Economic and Social Council in resolution 2003/55 and decision 2003/283,[11] and urges all Member States and organizations to contribute generously to the fund;

20. *Encourages* the full and effective participation of developing countries in the International Meeting, and invites donor countries and agencies to provide additional extrabudgetary resources, in particular through voluntary contributions to the trust fund, to facilitate their participation;

21. *Welcomes* the coordinating efforts undertaken in the United Nations system through the creation of an inter-agency task force to enable the United Nations system to improve coordination and enhance cooperation on matters pertaining to the preparatory process and the International Meeting itself;

22. *Calls upon* the Department of Economic and Social Affairs of the Secretariat, through the Division for Sustainable Development and its Small Island Developing States Unit,[12] to undertake activities in both the preparatory processes and the International Meeting to enhance coordination and cooperation within the United Nations system as well as with other relevant multilateral organizations to ensure the effective implementation, monitoring and follow-up to the outcomes of the ten-year review of the Programme of Action;

23. *Calls upon* the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States[13] to fulfil its mandate and to advocate strongly, in partnership with the relevant parts of the United Nations as well as with major groups, media, academia and foundations, for the mobilization of international support and resources for the

[11] See also A/C.2/58/4.

[12] As mandated by the Programme of Action, para. 123, and General Assembly resolution 49/122, para. 15.

[13] See resolution 56/227.

successful outcome of the International Meeting, and for the follow-up to the outcomes of the ten-year review of the Programme of Action;

24. *Welcomes* the generous contributions by donors to supporting the staffing of the Small Island Developing States Unit, and calls upon the Secretary-General to explore practical options for strengthening the Unit, including through redeployment of resources, on a permanent basis in the biennium 2004-2005 pursuant to General Assembly resolutions 56/198 and 57/262, with a view to facilitating the full and effective implementation of the Declaration of Barbados and the Programme of Action and the outcomes of the International Meeting;

25. *Decides* to include in the provisional agenda of its fifty-ninth session, under the item entitled "Environment and sustainable development", a sub-item entitled "Further implementation of the outcome of the Global Conference on the Sustainable Development of Small Island Developing States: follow-up of the outcomes of the International Meeting to review the implementation of the Barbados Programme of Action", and requests the Secretary-General to submit to the General Assembly at its fifty-ninth session the report of the International Meeting.

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**Fifty-eighth session**
**Second Committee**
Agenda item 91 (a)
**Macroeconomic policy questions: international trade and development**

**Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Henri S. Raubenheimer (South Africa), on the basis of informal consultations held on draft resolution A/C.2/58/L.32**

## International trade and development

*The General Assembly*,

*Recalling* its resolutions 55/182 of 20 December 2000, 56/178 of 21 December 2001 and 57/235 of 20 December 2002 on international trade and development,

*Recalling also* the Plan of Action adopted at the tenth session of the United Nations Conference on Trade and Development, held in Bangkok from 12 to 19 February 2000,[1]

*Reaffirming* the role of the United Nations Conference on Trade and Development as focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development,

*Recalling* the provisions of the United Nations Millennium Declaration[2] pertaining to trade and related development issues, as well as the outcomes of the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002,[3] and the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002,[4]

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[1] TD/390, part II.

[2] See resolution 55/2.

[3] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, and resolution 2, annex.

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*Recalling also* its resolutions 57/250 of 20 December 2002 and 57/270 B of 23 June 2003, in which it invited the United Nations Conference on Trade and Development, as well as the Trade and Development Board, to contribute, within its mandate, to the implementation and to the review of the progress made in the implementation of the outcomes of major United Nations conferences and summits and invited the President of the Trade and Development Board to present the outcomes of such reviews to the Economic and Social Council,

*Taking note* of the report of the Meeting of Eminent Persons on commodity issues, and expressing appreciation for the work of the Eminent Persons,

*Recalling* that, to benefit fully from trade, which in many cases is the single most important external source of development financing, the establishment and enhancement of appropriate institutions and policies in developing countries, as well as in countries with economies in transition, are needed, and that, in this context, enhanced market access, balanced rules and well-targeted, sustainably financed technical assistance and capacity-building programmes for developing countries also play important roles,

*Noting also* the significant contribution of the multilateral trading system to economic growth, development and employment, and the importance of maintaining the process of reform and liberalization of trade policies, as well as the importance of rejecting the use of protectionism so that the system plays its full part in promoting recovery, growth and development, in particular of developing countries, bearing in mind paragraph 10 of resolution 55/182,

*Recognizing* with concern that the benefits from global economic prosperity and trade liberalization have not fully accrued to all developing countries,

*Recognizing also* that a number of developing countries have undertaken significant trade and investment liberalization unilaterally, regionally and/or multilaterally, both within and outside the context of structural adjustment programmes,

*Reaffirming* the urgency, subject to national legislation, to recognize the rights of local and indigenous communities who are holders of traditional knowledge, innovations and practices, and, with the approval and involvement of the holders of such knowledge, innovations and practices, to develop and implement benefit-sharing mechanisms on mutually agreed terms for the use of such knowledge, innovations and practices,

*Recognizing* that countries take appropriate and necessary security measures, but also underlining the importance of these being taken in a manner that is least disruptive of normal trade and related practices,

*Taking note* of the in-depth review undertaken by the Trade and Development Board at its fiftieth session with respect to developments and issues in the post-Doha work programme of particular concern to developing countries, including the outcome of the Fifth Ministerial Conference of the World Trade Organization,[5] and its contribution to an understanding of the actions required to help developing countries secure beneficial and meaningful integration into the multilateral trading

[5] See A/58/15 (Part V), sect. II.B.

system and the global economy and to achieve a balanced, development-oriented and successful conclusion of the Doha negotiation,

*Taking note* of the report of the Trade and Development Board[6] and the report of the Secretary-General on international trade and development,[7]

*Noting* the proposals made to implement the work programme of the World Trade Organization, including those to liberalize international agricultural and non-agricultural trade,

*Underlining* the development potential of a balanced outcome of the negotiations under the World Trade Organization Doha work programme, which reflects the interests of all World Trade Organization members, particularly the developing countries,

1. *Reaffirms* the great importance of promoting the objective as set out in the Millennium Declaration[2] of ensuring an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system in pursuit of economic growth and development, fairness and a level playing field as well as human development and poverty eradication goals, and reiterates its commitment to achieving that goal;

2. *Reiterates* the commitment made at the Fourth Ministerial Conference of the World Trade Organization, held in Doha from 9 to 14 November 2001,[8] to place development at the heart of the Doha work programme and to continue to make positive efforts to ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development;

3. *Expresses concern* about the insufficient progress in the Doha negotiations, especially in areas of interest for developing countries, as manifested, inter alia, by missed deadlines in relation to special and differential treatment, implementation-related issues and concerns, and modalities for agricultural negotiations;

4. *Also expresses its concern* about the setback at the Fifth Ministerial Conference of the World Trade Organization and stresses the importance of redoubling efforts in working towards a successful, timely and development-oriented conclusion of the Doha negotiations no later than 1 January 2005 as set out in the Ministerial Declaration of the Fourth Ministerial Conference of the World Trade Organization ("Doha Ministerial Declaration");

5. *Further expresses its concern* about the adverse consequences that the setback of the Fifth Ministerial Conference may have for the multilateral trading system, including a possible surge in protectionist measures;

6. *Expresses its concern* about the adoption of a number of unilateral actions that are not consistent with the rules of the World Trade Organization, harm the exports of all countries, in particular those of developing countries, and have a considerable bearing on the ongoing World Trade Organization negotiations and on the achievement and further enhancement of the development dimension of the trade negotiations;

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[6] A/58/15 (Parts I to V).

[7] A/58/414.

[8] See A/C.2/56/7, annex.

7. *Considers* that the political will and commitment of World Trade Organization members to address the unresolved questions under the World Trade Organization Doha work programme promptly and fully and focus on the key development issues are essential for bringing the negotiations back on track;

8. *Underscores* the need for concerted political will and efforts for addressing the challenges of globalization, including by improving market access and market entry to the export products of particular interest to developing countries, so that they can benefit more from the globalization process;

9. *Recognizes* the importance for developing countries and countries with economies in transition of considering reducing trade barriers among themselves;

10. *Stresses* the importance of an open, transparent, inclusive and democratic process and of procedures for the effective functioning of the multilateral trading system that allow for internal transparency and the effective participation of members, including in the decision-making process, and that enable them to have their vital interests duly reflected in the outcome of trade negotiations;

11. *Also stresses* the need to place the interests and concerns of developing countries at the heart of the Doha work programme and to revive faith in it and, in this regard, calls upon members of the World Trade Organization to engage in negotiations with a renewed sense of urgency and purpose and to redouble their efforts to achieve a successful outcome of the Doha work programme, including, inter alia, on the following issues of particular interest to the developing countries:

(a) The expeditious and appropriate solution of outstanding implementation issues, consistent with paragraph 12 of the Doha Ministerial Declaration;

(b) The completion of the review of all provisions of special and differential treatment with a view to strengthening them and making them more precise, effective, operational, recognizing the importance of paragraph 12.1 (i) of the decision on implementation-related issues and concerns of 14 November 2001 adopted by the fourth Ministerial Conference of the World Trade Organization in Doha;

(c) Substantial improvements in market access, reduction of with a view to phasing out all forms of export subsidies, and substantial reductions in trade-distorting domestic support in agriculture, and the expeditious adoption of appropriate modalities for reduction commitments in agriculture negotiations, with operationally effective special and differential treatment and non-trade concerns being taken into account, in accordance with paragraphs 13 and 14 of the Doha Ministerial Declaration;

(d) Addressing the issue of abusive application of anti-dumping, sanitary and phytosanitary standards and other trade-distorting measures;

(e) The positive consideration of trade-related issues pertaining to the commodity sector in the multilateral trading system;

(f) An effective solution to address the problems reflected in the sectoral initiative in favour of cotton proposed by a group of African countries within the context of negotiations on agriculture under the Doha work programme;

(g) Negotiations on trade in services conducted with a view to promoting the economic growth of all trading partners and the development of developing countries and least developed countries, without a priori exclusion of any service sector or mode of supply and with special attention given to sectors and modes of supply of export interest to developing countries, recognizing the work already undertaken in the negotiations and the large number of proposals submitted by members on a wide range of sectors and on several horizontal issues, as well as on movement of natural persons;

(h) Appropriate modalities for reduction or elimination commitments in negotiations on market access for non-agricultural products, as provided for in paragraph 16 of the Doha Ministerial Declaration, in particular on products of export interest to developing countries, and taking into account the special needs and interests of developing and least developed country participants, including through less than full reciprocity in reduction commitments;

(i) The review of the Agreement on Trade-related Aspects of Intellectual Property Rights, taking fully into account its development dimension;

(j) In accordance with paragraph 16 of the Doha Ministerial Declaration on market access for non-agricultural products, reduction or elimination of high tariffs, tariff peaks and tariff escalation, as well as non-tariff barriers, on those products, in particular on products of export interest to developing countries;

(k) The clarification and improvement of disciplines in the areas of anti-dumping, subsidies and countervailing measures, taking into account the needs of developing countries, including the least developed among them, while preserving the basic concepts, principles and effectiveness of those agreements and their instruments and objectives in non-agricultural market access;

(l) The examination, in the context of paragraphs 36 and 37 of the Doha Ministerial Declaration, of the relationship between trade, debt and finance, and between trade and transfer of technology, and possible recommendations thereon, taking into account their development dimension;

(m) Making the World Trade Organization operations more transparent, including through more effective and prompt dissemination of information;

12. *Recognizes* the crucial role that the expeditious implementation of World Trade Organization agreements and improved World Trade Organization rules, reflective of the development dimension of the Doha Ministerial Declaration, can play for the development opportunities of developing countries and their capacity to integrate into the global economy;

13. *Takes note* of the provisions of the Doha Ministerial Declaration with respect to the relationship between trade and investment, the interaction between trade and competition policy, transparency in government procurement and trade facilitation;

14. *Reaffirms* that agriculture remains a fundamental and key sector for the overwhelming majority of developing countries, and stresses the importance of a successful conclusion of the Doha work programme in this regard;

15. *Further reaffirms* the commitment to full and faithful implementation of the Agreement on Textiles and Clothing, and calls for further progress in its implementation, which is a necessary and inherent condition of full implementation of the agreements arising from the Uruguay Round of multilateral trade negotiations;

16. *Reaffirms* that preferences granted to developing countries, pursuant to the "enabling clause",[9] should be generalized, non-reciprocal and non-discriminatory;

17. *Also reaffirms* the need for the implementation of paragraph 4 of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Countries;[10]

18. *Welcomes* the decision adopted by the General Council of the World Trade Organization on the implementation of paragraph 6 of the Doha Declaration on the Agreement on Trade-related Aspects of Intellectual Property Rights and Public Health[11] to address the problems faced by countries with insufficient or no manufacturing capacities in the pharmaceutical sector in accessing medicines at affordable prices when combating serious public health problems, afflicting many developing and least developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics, and invites all members to work towards an expeditious and permanent solution to the issue by, inter alia, amending the Agreement on Trade-related Aspects of Intellectual Property Rights within the agreed time frame, to ensure that the solution will be simple to use, sustainable, predictable and legally secure;

19. *Emphasizes* that bilateral and regional trade arrangements should contribute to the multilateral trading system, and in this context stresses the importance of clarifying and improving disciplines and procedures under the existing provisions of the World Trade Organization applying to regional trade agreements in accordance with paragraph 29 of the Doha Ministerial Declaration, taking into account the implications of these agreements for development, and urges the United Nations Conference on Trade and Development, in accordance with its mandates, to provide technical inputs in this respect;

20. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization held at Doha and at the Third United Nations Conference on the Least Developed Countries, held at Brussels from 14 to 20 May 2001,[12] in this regard calls upon developed countries that have not already done so to work towards the objective of duty-free, quota-free market access for all least developed countries' exports, and notes that the consideration of proposals for developing countries to contribute to improved market access for least developed countries would also be helpful;

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[9] Decision of the Contracting Parties of 28 November 1979.

[10] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh, on 15 April 1994* (GATT Secretariat publication, Sales No. GATT 1994-7).

[11] WT/L/540. Available on the Internet at http://docsonline.wto.org.

[12] See A/CONF.191/11 and 12.

21. *Welcomes* the approval of the accession of Cambodia and Nepal to the World Trade Organization, stresses the importance of facilitating the accession of all developing countries, particularly the least developed countries, as well as countries with economies in transition, that apply for membership in the World Trade Organization, bearing in mind paragraph 21 of General Assembly resolution 55/182 and subsequent developments and calls for effective and faithful application of the WTO guidelines on accession of the least developed countries;

22. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

23. *Reaffirms* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration;

24. *Acknowledges* the seriousness of the concerns expressed in the Almaty Programme of Action adopted at the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation,[13] held in Almaty, Kazakhstan, on 28 and 29 August 2003, and stresses the need for the special problems and needs of landlocked developing countries, including those contained in paragraph 33 of the Programme of Action, as well as other relevant issues contained in the section on international trade and trade facilitation of the Programme of Action, to be effectively addressed by the relevant international organizations and donors within a multi-stakeholder approach;

25. *Notes* the health and environment-related measures that have an impact on exports, stresses that the adoption or enforcement of any measures necessary to protect human, animal or plant life or health should not be applied in a manner that would constitute arbitrary or unjustified discrimination or a disguised restriction on international trade and recognizes the importance of capacity-building support for developing countries so as to enable them to put in place the appropriate measures necessary for meeting standards consistent with the World Trade Organization;

26. *Encourages* the United Nations Conference on Trade and Development, the World Trade Organization, the World Bank, the United Nations Industrial Development Organization, the United Nations Development Programme and other relevant international organizations to continue to cooperate on trade-related capacity-building in developing countries, including, as appropriate, under the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

[13] A/CONF.202/3, annex I.

27. *Requests* the United Nations Conference on Trade and Development to continue its work, within its mandate, on trade-related issues and policies, from the development perspective, including its contribution to the Johannesburg Plan of Implementation, and notes its work on development benchmarks of the international trading system and trade negotiations;[14]

28. *Reiterates* the importance of supporting the United Nations Conference on Trade and Development programmes of technical cooperation and capacity-building that assist developing countries, especially the least developed countries, the countries with economies in transition and small and vulnerable economies, in particular those programmes in support of their participation in the Doha work programme, in accordance with the technical cooperation strategy of the United Nations Conference on Trade and Development;

29. *Emphasizes* the importance of and invites Member States to support the activities of the United Nations Conference on Trade and Development, and invites donors and other countries in a position to do so to continue to provide the United Nations Conference on Trade and Development with the resources necessary to effectively implement its technical cooperation activities by giving priority to longer-term sustainable activities, particularly through multi-year funding mechanisms and inter-divisional operations based on the thematic priorities set by the United Nations Conference on Trade and Development work programme;

30. *Takes note* of the substantive item of the provisional agenda of the eleventh session of the United Nations Conference on Trade and Development,[15] to be held in São Paulo, Brazil, from 13 to 18 June 2004, entitled "Enhancing coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries", as well as its sub-theme "Assuring development gains from the international trading system and trade negotiations", and in this context stresses the importance of strengthening the role and mandate of the United Nations Conference on Trade and Development on trade and development;

31. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-ninth session on the implementation of the present resolution and on developments in the multilateral trading system, under the sub-item entitled "International trade and development".

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[14] TD/B/50/8 of 29 September 2003.

[15] A/58/15 (Part V), annex II.

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**Fifty-eighth session**
**Second Committee**
Agenda item 91 (d)
**Macroeconomic policy questions: international financial system and development**

**Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Henri S. Raubenheimer (South Africa), on the basis of informal consultations held on draft resolution A/C.2/58/L.17**

## International financial system and development

*The General Assembly*,

*Recalling* its resolutions 55/186 of 20 December 2000 and 56/181 of 21 December 2001, both entitled "Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity", as well as its resolution 57/241 of 20 December 2002,

*Recalling also* the United Nations Millennium Declaration,[1] adopted by the heads of State and Government on 8 September 2000, its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[2] as well as the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[3] adopted on 4 September 2002,

*Emphasizing* that the international financial system should support sustainable development, sustained economic growth and poverty reduction while allowing for the coherent mobilization of all sources of financing for development, including the mobilization of domestic resources, international investment flows, official development assistance, external debt relief and an open, equitable, rules-based, predictable and non-discriminatory global trading system,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

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*Reiterating* that success in meeting the objectives of development and poverty eradication depends on good governance within each country and at the international level, and stressing that sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure are the basis for sustained economic growth, poverty eradication and employment creation,

*Reiterating* the need to strengthen the leadership role of the United Nations in promoting development,

*Welcoming* the growing interaction between the United Nations and the international financial and trade institutions, consistent with the relevant provisions of the Charter of the United Nations and in accordance with related agreements,[4]

*Encouraging* further progress on the issue of participation of developing countries in international economic decision-making and norm-setting processes, including of the Bretton Woods institutions and other economic and financial institutions and ad hoc groupings, while welcoming the steps that have been taken with a view to strengthening the capacity of developing countries to participate effectively in the international financial institutions,

*Recognizing* the urgent need to enhance coherence, governance and consistency of the international monetary, financial and trading systems, and the importance of ensuring their openness, fairness and inclusiveness in order to complement national development efforts to ensure sustained economic growth and the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration,

1. *Takes note* of the report of the Secretary-General;[5]

2. *Recognizes* the increasing initial signs that economic activity is gradually strengthening in many economies, while noting with concern the unevenness of the recovery of the global economy, which challenges efforts of developing countries to eradicate poverty and to ensure sustained economic growth, and stresses the importance of cooperative efforts by all countries and institutions to cope with risks of financial instability and ensure a strong and steady recovery;

3. *Invites* developed countries, in particular major industrialized economies, to take into account the effect of their macroeconomic policies on international growth and development;

4. *Recognizes* the concern with the fact that in 2002 developing countries as a whole made net outward transfers of financial resources for the sixth consecutive year, and underscores the need for measures, as appropriate, at the national and international levels to address this issue, while taking note of the efforts that have been made thus far to this end and of the fact that for some developing countries those transfers, at the present time, indicate positive developments in the trade balance, which is required, inter alia, for debt repayment and which allows for the purchase of foreign assets;

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[4] Related agreements include the agreements of 15 April 1948 between the United Nations and the International Monetary Fund (United Nations *Treaty Series*, vol. XVI, No. 108) and the United Nations and the International Bank for Reconstruction and Development (ibid., vol. XVI, No. 109).

[5] A/58/369.

5. *Underlines* the importance of adopting effective measures, including new financial mechanisms, as appropriate, to support the efforts of developing countries to achieve sustained economic growth, sustainable development, poverty reduction and the strengthening of their democratic systems, while reaffirming that each country has primary responsibility for its own economic and social development and that national policies have the leading role in the development process;

6. *Stresses* the importance of strong domestic institutions to promote business activities and financial stability for the achievement of growth and development, inter alia, through sound macroeconomic policies and policies aimed at strengthening the regulatory systems of the corporate, financial and banking sectors, and also stresses that international cooperation initiatives in these areas should encourage flows of capital to developing countries;

7. *Underlines* the importance of promoting international financial stability and sustainable growth, and welcomes the efforts undertaken to this end by the International Monetary Fund and the Financial Stability Forum, as well as the International Monetary and Financial Committee's consideration of ways to sharpen tools designed to promote international financial stability and enhance crisis prevention, including through an even-handed implementation of surveillance and a sharpening of surveillance on capital markets and systemically and regionally important countries, with a view, inter alia, to early identification of problems and risks and fostering of appropriate policy responses; the provision of adequate precautionary support to deal with external crises; and further improvements in the transparency of macroeconomic data and statistical information on international capital flows;

8. *Reiterates* in this regard that measures to mitigate the impact of excessive volatility of short-term capital flows and to improve transparency of and information about financial flows are important and must be considered,

9. *Notes* the impact of financial crises and risks of contagion on developing countries and countries with economies in transition, regardless of their size, and underlines the need to ensure that the international financial institutions, including the International Monetary Fund, have a suitable array of financial facilities and resources to respond in a timely and appropriate way, in accordance with their policies, to such crises;

10. *Notes* the importance of advancing current efforts to reform the international financial architecture, as envisaged in the Monterrey Consensus,[2] emphasizes that those efforts need to include the effective participation of developing countries and countries with economies in transition, and in this regard encourages the International Monetary Fund and the World Bank to continue examining the issues of the voice and effective participation of those countries, as provided for in the communiqués of the International Monetary and Financial Committee and the Development Committee at their last meetings, held in Dubai on 21 and 22 September 2003, and looks forward to the consideration of a road map on the issue at their next meeting, in April 2004;

OP 10 alt.2 *Welcomes* the ongoing work of the International Monetary Fund on quotas, and notes the conclusion of the Fund's Twelfth General Review of Quotas, the report on which indicated the adequacy of the current level of Fund resources and the intention of the Executive Board, during the period of the Thirteenth General Review,

to monitor closely and assess the adequacy of Fund resources, to consider measures to achieve a distribution of quotas that reflects developments in the world economy and to consider measures to strengthen the governance of the Fund;

11. *Emphasizes* that it is essential to ensure the effective and equitable participation of developing countries in the formulation of financial standards and codes, and underscores the need to ensure their implementation, on a voluntary and progressive basis, as a contribution to reducing vulnerability to financial crisis and contagion;

12. *Invites* the multilateral and regional development banks and development funds to continue to play a vital role in serving the development needs of developing countries and countries with economies in transition, including through coordinated action, as appropriate, and underlines that strengthened regional development banks and subregional financial institutions add flexible financial support to national and regional development efforts, enhancing their ownership and overall efficiency, and are an essential source of knowledge and expertise for their developing country members;

13. *Calls upon* multilateral financial institutions, in providing policy advice and financial support to member countries, to work on the basis of nationally owned reform and development strategies, to pay due regard to the special needs and implementing capacities of developing countries and countries with economies in transition and to minimize negative impacts of the adjustment programmes on the vulnerable segments of society, while taking into account the importance of gender-sensitive employment and poverty eradication policies and strategies;

14. *Reiterates* the importance of the orderly resolution of sovereign debt crises, notes the increasing voluntary use of collective action clauses in international sovereign bonds, and takes note of the efforts led by sovereign debtors and private creditors to develop a voluntary code of conduct for the resolution of sovereign debt crises;

15. *Encourages* the efforts, including those of the Bretton Woods institutions, to improve the assessment of debt sustainability in low and middle-income countries through, inter alia, the development of better tools to deal with exogenous shocks and the need to take country-specific factors into account;

16. *Also encourages* the consideration, of proposals to generate innovative public and private mechanisms for financing development, without unduly burdening developing countries, and the study, in the appropriate forums, of the results of the analysis requested from the Secretary-General on possible innovative sources of finance, taking note of the proposal of using special drawing rights allocations for development purposes, bearing in mind that any assessment of special drawing rights allocations must respect the International Monetary Fund's Articles of Agreement and the established rules of procedure of the Fund, which requires taking into account the global need for liquidity at the international level;

17. *Requests* the Secretary-General to report to the General Assembly at its fifty-ninth session on the implementation of the present resolution;

18. *Decides* to include in the provisional agenda of its fifty-ninth session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "International financial system and development".

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**Fifty-eighth session**
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Agenda item 91 (e)
**Macroeconomic policy questions: external debt crisis and development**

**Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Henri S. Raubenheimer (South Africa), on the basis of informal consultations held on draft resolution A/C.2/58/L.18)**

## External debt crisis and development

*The General Assembly*,

*Recalling* its resolutions 51/164 of 16 December 1996, 52/185 of 18 December 1997, 53/175 of 15 December 1998, 54/202 of 22 December 1999, 55/184 of 20 December 2000, 56/184 of 21 December 2001 and 57/240 of 20 December 2002 on enhancing international cooperation towards a durable solution to the external debt problems of developing countries,

*Recalling also* the United Nations Millennium Declaration adopted by heads of State and Government on 8 September 2000,[1]

*Reaffirming* the Monterrey Consensus of the International Conference on Financing for Development,[2] which recognizes sustainable debt financing as an important element for mobilizing resources for public and private investment,

*Recalling* its resolution 57/270 B of 23 June 2003 on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields,

*Concerned* that the current global economic recovery is uneven but determined to ensure that it leads to sustained world economic growth, to sustainable development and to a durable solution of the external debt problems of developing countries,

*Noting* in this regard that the total debt stock of the developing countries rose from 1,421.6 billion dollars in 1990 to 2,384.2 billion dollars in 2002,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

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*Noting with great concern* that the continuing debt and debt-servicing problems of the heavily indebted poor developing countries constitute one of the many elements that adversely affect their sustainable development efforts, and bearing in mind their impact on the achievement of the internationally agreed development goals including those contained in the Millennium Declaration,

*Noting with concern* the fact that some highly indebted, low- and middle-income developing countries continue to face serious difficulties in meeting their external debt-servicing obligations, which constitutes an element that seriously constrains their efforts to ensure sustained economic growth and sustainable development,

*Noting* that, in 2002, developing countries as a whole made net outward transfers of financial resources for the sixth consecutive year, and underscoring the need for measures, as appropriate, at the national and international levels to address this issue so as to enhance the prospects for debt sustainability, while noting also the fact that for some developing countries those transfers, at the present time, indicate positive developments in the trade balance, and were required, inter alia, for debt repayment,

*Convinced* that enhanced market access for goods and services of export interest to developing countries contributes significantly to debt sustainability in developing countries,

*Welcoming* the positive impact of the enhanced Heavily Indebted Poor Countries Initiative, while recognizing that significant challenges remain, and inviting all developed bilateral creditors to forgive on a unilateral basis up to 100 per cent of all remaining claims after HIPC debt relief,

*Welcoming also* the actions taken by creditor countries within the framework of the Paris Club and by some creditor countries through the cancellation of bilateral debts, and urging all creditor countries to participate in efforts to remedy the external debt and debt-servicing problems of developing countries, and noting the Evian Approach of the Paris Club of October 2003, and that debt relief does not replace alternative sources of financing,

*Emphasizing* the important role that private sector creditors play in debt relief and debt sustainability,

*Welcoming* the call in the communiqué issued by the Development Committee (the Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries) on 22 September 2003 in Dubai[3] urging all official and commercial creditors to participate in the Heavily Indebted Poor Countries Initiative,

*Recognizing* the current debate on sovereign debt restructuring, especially the efforts led by sovereign debtors and private creditors to develop a voluntary code of conduct, and stressing that modalities for sovereign debt restructuring should be voluntary, market-friendly and flexible, with due consideration of the specific circumstances of individual countries, and should result from the participation of all relevant stakeholders,

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[3] *IMF Survey*, vol. 32, No. 17 (6 October 2003), pp. 275-277.

*Noting* the increasing voluntary use of collective action clauses in sovereign bond contracts by both developing and developed countries,

1. *Takes note* of the report of the Secretary-General;[4]

2. *Reaffirms* the determination, as expressed in the United Nations Millennium Declaration,[1] to deal comprehensively and effectively with the debt problems of low- and middle-income developing countries, through various national and international measures designed to make their debt sustainable in the long term;

3. *Emphasizes* that the international financial system, along with enhanced official and private external financing, and foreign direct investment, are key elements for a durable solution to the external debt problems of developing countries;

4. *Stresses* that sustainable debt financing is an important element for mobilizing resources for public and private investment, and that national comprehensive strategies to monitor and manage the external liabilities embedded in the domestic preconditions for debt sustainability, including sound macroeconomic policies and public resource management, are a key element in reducing national vulnerabilities;

5. *Welcomes* the World Trade Organization Working Group on Trade, Debt and Finance and its mandate to examine the relationship between trade, debt and finance so as to enhance the capacity of the multilateral trading system to contribute to a durable solution to the problem of external indebtedness of developing and least developed countries, and to strengthen the coherence of international trade and financial policies, with a view to safeguarding the multilateral trading system from the effects of financial and monetary instability, and takes note of its report of 11 July 2003 to the General Council of the World Trade Organization; [5]

6. *Recognizes* that creditors and debtors must share the responsibility for preventing and resolving unsustainable debt situations and that debt relief can play a key role in liberating resources that should be directed towards activities consistent with attaining poverty eradication, sustainable economic growth, sustainable development and the achievement of the internationally agreed development goals including those contained in the Millennium Declaration and in this regard urges countries to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards these objectives;

7. *Stresses* that debt sustainability depends upon a confluence of many factors, at the international and national levels, and underscores that no single indicator should be used to make definitive judgements about debt sustainability and emphasizes that country circumstances should be taken into account;

8. *Recalls* the call upon industrialized countries, as expressed in the Millennium Declaration, to implement the enhanced programme of debt relief for the heavily indebted poor countries without further delay and to agree to cancel all official bilateral debts of those countries in return for their making demonstrable commitments to poverty reduction, and in this regard welcomes the decision of

[4] A/58/290.

[5] Document WT/WGTDF/2.

those countries that have already done so, emphasizing that debt relief complementary to the framework should be treated as additional;

9. *Calls upon* those heavily indebted poor countries that have not already done so, to take, as soon as possible, the policy measures necessary to become eligible for the enhanced Heavily Indebted Poor Countries Initiative and to reach the decision point, inter alia, through the formulation of poverty reduction strategies, where they exist;

10. *Stresses* the need to pursue, where appropriate, debt relief measures vigorously and expeditiously, by all creditors, including within the Paris and London Clubs and other relevant forums, and welcomes other bilateral initiatives that have been undertaken to reduce outstanding indebtedness, so as to contribute to debt sustainability and facilitate sustainable development;

11. *Calls upon* the international community, including the United Nations system, and invites the Bretton Woods institutions as well as the private sector, to take appropriate measures and actions for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits, in particular those relating to the question of the external debt problem of developing countries, and in this regard stresses the need:

(a) To implement speedily, effectively and fully the enhanced Heavily Indebted Poor Countries Initiative, which should be fully financed through additional resources, while stressing the need for fair, equitable and transparent burden-sharing among the international public creditor community and other donor countries, and take into consideration, as appropriate, measures to address any fundamental changes in the economic circumstances of those developing countries that have an unsustainable debt burden including those caused by natural catastrophes, severe terms-of-trade shocks or conflict, taking into account initiatives that have been undertaken to reduce outstanding indebtedness;

(b) To continue to bring about a sustained commitment on the part of the heavily indebted poor countries to improvements in domestic policies and economic management, to support capacity-building for the management of financial assets and liabilities, to ensure full participation and delivery of relief by all affected creditors, to ensure adequate and sufficiently concessional financing by international financing institutions and the donor community, and to further explore options to address the difficult issues of HIPC-to-HIPC debt relief and creditor litigation;

(c) To continue to bring together international debtors and creditors in relevant international forums to restructure unsustainable debt in a timely and efficient manner, taking into account the need to involve the private sector in the resolution of crises;

(d) To acknowledge the problems of the debt sustainability of some low-income countries that are not heavily indebted, in particular those facing exceptional circumstances, and in this regard notes the tailored treatment for non-HIPC developing debtor countries adopted by the Paris Club to ensure that debt restructuring provides non-HIPC-debtor countries with a debt treatment that reflects their financial needs and the objective of ensuring long-lasting debt sustainability;

(e) To reduce the unsustainable debt burden of developing countries through such actions as debt relief and, as appropriate, debt cancellation and other

innovative mechanisms geared to comprehensively addressing the debt problems of developing countries, in particular the poorest and most heavily indebted ones;

(f) To encourage exploring innovative mechanisms to comprehensively address the debt problems of developing countries, including middle-income countries, and countries with economies in transition; such mechanisms may include debt-for-sustainable-development swaps, or multi-creditor debt swap arrangements, as appropriate;

(g) To establish effective debt-tracking mechanisms in developing countries and strengthen technical assistance for external debt management and debt tracking, inter alia, through enhanced cooperation and coordination between organizations providing assistance in this regard;

(h) To take steps to ensure that resources provided for debt relief do not detract from official development assistance resources intended to be available for developing countries and that the debt-relief arrangements seek to avoid imposing any unfair burden on other developing countries;

(i) To welcome consideration by all relevant stakeholders of an international debt-work-out mechanism, in the appropriate forums, the adoption of which should not preclude emergency financing in times of crisis, to promote fair burden-sharing and minimize moral hazard, which will engage debtors and creditors to come together to restructure unsustainable debts in a timely and efficient manner;

(j) To establish a set of clear principles for the management and resolution of financial crises that provide for fair burden-sharing between the public and private sectors and among debtors, creditors and investors, while recognizing that a flexible mix of instruments is needed to respond appropriately to the varying economic circumstances and capacities of different countries;

12. *Stresses* the importance of continued flexibility with regard to the eligibility criteria for the enhanced Heavily Indebted Poor Countries Initiative, in particular for countries in post-conflict situations, and the need to keep the computational procedures and assumptions underlying debt sustainability analysis under review;

13. *Emphasizes* the need to help bring about initial recovery in heavily indebted poor post-conflict countries, in coordination with the international financial institutions, to help clear, as appropriate, the arrears of those countries vis-à-vis international financial institutions;

14. *Reaffirms* that reviews of debt sustainability should also bear in mind the impact of debt relief on progress towards the achievement of the development goals set out in the Millennium Declaration and the fact that debt sustainability analysis at the completion point needs to take into account any change in the global growth prospects or in the terms of trade, especially for commodity export developing countries;

15. *Notes* that it is important for the International Monetary Fund and the World Bank to continue their efforts to strengthen the transparency and integrity of debt sustainability analysis and to consider any fundamental changes in countries' debt sustainability caused by natural catastrophes, severe terms-of-trade shocks or conflict when making policy recommendations, inter alia, for debt relief, as appropriate;

16. *Stresses* the need to strengthen the institutional capacity of developing countries in debt management, calls upon the international community to support the efforts made towards this end, and in this regard stresses the importance of such initiatives as the Debt Management and Financial Analysis System of the United Nations Conference on Trade and Development,[6] the International Monetary Fund and World Bank guidelines for public debt management,[7] and the debt-management capacity-building programme;

17. *Invites* the United Nations Conference on Trade and Development, the International Monetary Fund, and the World Bank, in cooperation with the regional banks, regional commissions and multilateral institutions, to study the possibility of creating a consultative group on external debt management aiming at developing best practices and strengthening the institutional capacity of developing countries in debt management, taking into account work that has already been done;

18. *Requests* the Secretary-General to report to the General Assembly at its fifty-ninth session on the implementation of the present resolution and to include in that report a comprehensive and substantive analysis of the external debt and debt-servicing problems of developing countries, inter alia, those resulting from global financial instability;

19. *Decides* to include in the provisional agenda of its fifty-ninth session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "External debt crisis and development".

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[6] The Debt Management and Financial Analysis System is a computerized system developed by the United Nations Conference on Trade and Development to assist developing countries and countries with economies in transition to develop appropriate administrative, institutional and legal structures for effective foreign and domestic public debt management. By December 2002, the system had been installed in the debt offices of sixty countries in Africa, Asia, Europe and Latin America and the Caribbean.

[7] See www.imf.org/external/np/mae/pdebt/2000/eng/.

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Agenda item 104
**Follow-up to the International Conference on Financing for Development**

**Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Henri S. Raubenheimer (South Africa), on the basis of informal consultations held on draft resolutions A/C.2/58/L.39 and A/C.2/58/L.40**

## Follow-up to and implementation of the outcome of the International Conference on Financing for Development

*The General Assembly*,

*Recalling* the International Conference on Financing for Development and its resolutions 56/210 B of 9 July 2002, 57/250 and 57/270 B of 23 June 2003, 57/272 and 57/273 of 20 December 2002, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002 and 2003/47 of 24 July 2003,

*Taking note* of the report of the Secretary-General on the implementation of and follow-up to commitments and agreements made at the International Conference on Financing for Development,[1] prepared in collaboration with the major institutional stakeholders,

*Having considered* the summary presented by the President of the General Assembly of the High-Level Dialogue on Financing for Development, held on 29 and 30 October 2003,[2]

*Having considered* the summary presented by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions and the World Trade Organization,[3]

*Determined* to continue to implement and build further on the commitments made and agreements reached at the International Conference on Financing for Development, and to strengthen the coordinated and coherent engagement of all relevant stakeholders in the financing for development process,

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[1] A/58/216.
[2] A/58/555.
[3] A/58/77.

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1. *Welcomes* the first High-Level Dialogue on Financing for Development, held in New York on 29 and 30 October 2003;

2. *Reiterates* the call to fully implement and to build further on the commitments made and agreements reached at the International Conference on Financing for Development;

3. *Notes* the progress made in the implementation of these commitments and agreements and that much remains to be done in this context;

4. *Emphasizes* the link between financing for development and the achievement of the internationally agreed development goals, including those contained in the United Nations Millennium Declaration;[4]

5. *Stresses*, in order to complement national development efforts, the importance of full implementation of the commitment to enhance further the coherence and consistency of international monetary, financial and trading systems, and in this context requests the Secretary-General to keep actions under review;

6. *Recognizes* initiatives taken to enhance the voice, participation and representation of developing countries and countries with economies in transition in the work and decision-making processes of the intergovernmental bodies of institutional stakeholders, and invites them to continue and strengthen actions aimed at reaching decisions in this regard;

7. *Invites* the World Trade Organization to strengthen its institutional relationship with the United Nations, in particular through its active involvement in the meetings of the General Assembly and the Economic and Social Council devoted to financing for development, and through its participation in the preparation of the annual report on the implementation of and the follow-up to the commitments made and agreements reached at the International Conference on Financing for Development;

8. *Welcomes* the decisions by the major institutional stakeholders of the International Conference on Financing for Development to include in the agendas of their intergovernmental bodies relevant items on the implementation of the Monterrey Consensus of the International Conference on Financing for Development,[5] and invites all major institutional stakeholders to consider doing so, in accordance with paragraph 70 of the Monterrey Consensus, and to make a contribution to the assessment of progress made to the High-level Dialogue on Financing for Development of the General Assembly and to the spring meeting of the Economic and Social Council;

9. *Requests* the United Nations Conference on Trade and Development, in cooperation with other relevant stakeholders, to continue to address in a comprehensive way commodities issues and their impact on financing for development;

10. *Requests* the Economic and Social Council, in its examination of the report of the Ad Hoc Group of Experts on International Cooperation in Tax Matters

[4] Resolution 55/2.

[5] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

at its next substantive session to give consideration to the institutional framework for international cooperation in tax matters;

11. *Recalls* paragraph 69 of the Monterrey Consensus and building on the experience of the high-level spring meeting of the Economic and Social Council and the High-level Dialogue of the General Assembly in 2003, in the context of the integrated approach to the follow-up to and implementation of the commitments made and agreements reached at the International Conference on Financing for Development, requests:

(a) The President of the General Assembly, in coordination with the President of the Economic and Social Council, to strengthen the preparations with all major institutional and other stakeholders of matters relevant to the organization of the High-level Dialogue, in consultation with all Member States;

(b) The President of the Economic and Social Council, with support from the Vice-Presidents, to enhance the Council's interactions through regular exchanges with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development on organizational matters related to the follow-up to the International Conference on Financing for Development, within the context of the preparations of the high-level meeting with these institutions, bearing in mind General Assembly resolution 57/270 B and Economic and Social Council resolution 2003/47, and to report thereon to the Council;

(c) The President of the Economic and Social Council, in consultation with all major institutional stakeholders, to focus the annual special high-level meeting on specific issues, within the holistic integrated approach of the Monterrey Consensus, and to report thereon to the Council;

12. *Invites* the regional commissions, with the support of regional development banks, as appropriate, and in cooperation with United Nations funds and programmes, to use the opportunity of their regular intergovernmental sessions, and to hold special meetings within existing resources, as necessary, to address the regional and interregional aspects of the follow-up to the Monterrey Conference and thus help to bridge any gaps between the national, regional and international dimensions of the implementation of the Monterrey Consensus and serve as inputs to the High-Level Dialogue as well as to the spring meeting of the Economic and Social Council;

13. *Welcomes* the establishment of the Financing for Development Office in the Department of Economic and Social Affairs of the Secretariat, and in this regard reiterates the need to fully implement resolution 57/273 of 20 December 2002 to enable the Office to provide effective support to the intergovernmental process entrusted with the follow-up to the International Conference on Financing for Development, and to facilitate the participation of all stakeholders in accordance with the rules of procedure of the United Nations, in particular the accreditation procedures and modalities of participation utilized at the Conference and in its preparatory process, as well as to continue within its mandate:

(a) To organize workshops and multi-stakeholder consultations, including experts from the official and private sectors, as well as academia and civil society, to examine issues related to the mobilization of resources for financing development and poverty eradication;

(b) To convene activities involving various stakeholders, including the private sector and civil society, as appropriate, to promote best practices and exchange information on the implementation of the commitments made and agreements reached in the Monterrey Consensus;

14. *Decides* to consider at its fifty-ninth session possible innovative sources of financing for development, and requests the Secretary-General to submit the result of the analysis on this issue as called for in paragraph 44 of the Monterrey Consensus;

15. *Invites* countries to report, inter alia, through existing reporting mechanisms, by 2005 on their efforts to implement the Monterrey Consensus, bearing in mind the need to achieve the internationally agreed development goals, including those contained in the Millennium Declaration;

16. *Decides*, to hold the 2005 High-level Dialogue on Financing for Development at the ministerial level; the time and modalities of this High-level Dialogue will be set by the General Assembly at its fifty-ninth session, taking into account other major events in the same year and the need for adequate provisions for an enhanced dialogue;

17. *Also decides* to include in the provisional agenda of its fifty-ninth session an item entitled "Follow-up to the implementation of the International Conference on Financing for Development", and requests the Secretary-General to submit an annual analytical assessment of the state of the implementation of the Monterrey Consensus, including the implementation of the present resolution, to be prepared in full collaboration with the major institutional stakeholders.